



**CITY OF ASHLAND, MISSOURI
YEAR ENDED APRIL 30, 2002**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-42
May 12, 2003
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

May 2003

The following problems were discovered as a result of an audit conducted by our office of the City of Ashland, Missouri.

The original construction contract for street, water, and sewer improvements on the Liberty Lane project totaled \$310,000, although the city incurred additional construction expenditures of approximately \$294,000 for change orders. Board minutes indicate \$223,000 of the change orders involved additional construction for water main improvements, however the city did not solicit bids for the additional construction included in the change orders. In addition, the city did not adequately document the planned and actual sources and uses of funding for the Liberty Lane project. Also, the city did not document that the actual expenditures from each fund represented appropriate uses of the restricted revenues of the applicable funds.

In July 1998, the city purchased land for \$150,000 located near the current city hall; however, this land has not been used by the city. City officials indicated the city intended to build a new city hall and city library on this land; however, no formal plans were prepared for such a project. The city did not obtain an appraisal prior to the purchase of the land.

The city makes payments to the City Administrator which appear to be taxable compensation but are not reported on his W-2 forms. Since July 2001, he has received a monthly vehicle allowance of \$400 but is not required to report any expenses incurred on behalf of the city. In addition, the city has no documentation to show that this allowance amount is reasonable, as the employment contract does not adequately define which expenses are covered in this allowance.

The city's current payroll procedures do not ensure that payroll expenses are allocated to the proper funds. Each employee's salary is paid from one fund regardless of how each employee's duties and functions overlap the various city services. It is essential the city properly allocate employee salaries to the various funds.

The city's budget for the year ending April 30, 2003 was not passed by ordinance, signed by the board, or retained with board meeting minutes. Therefore, it is unclear what budget documents were approved by the board. In addition, the city's budgets did not adequately project the revenues and expenditures of some funds, document some interfund transfers, nor reflect accurate prior years' revenues.

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YELLOW SHEET

statements that were published did not include detailed sources or categories for receipts and expenditures. In addition, the city had not submitted annual financial statements to the State Auditor's Office, as required by state law, since the year ended April 30, 1999.

Also included in the audit are recommendations related to procurement procedures, meeting minutes, and ordinances.

All reports are available on our website: www.auditor.state.mo.us

CITY OF ASHLAND, MISSOURI

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

To the Honorable Mayor
and
Board of Aldermen
City of Ashland, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Ashland, Missouri. The city had engaged William E. Wooldridge Jr., Certified Public Accountant (CPA), to audit the city for the year ended April 30, 2002. To minimize any duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit of the city included, but was not necessarily limited to, the year ended April 30, 2002. The objectives of this audit were to:

1. Perform procedures to evaluate the petitioners' concerns.
2. Review compliance with certain legal provisions.
3. Review certain management practices.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents and interviewed various personnel of the city.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in the audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Ashland, Missouri.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

December 6, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Christina L. Brown
Audit Staff:	Turan Hirji

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF ASHLAND, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Construction Projects
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The city incurred significant expenditures on various street, water, and sewer improvements. Our review noted concerns with a project on Liberty Lane during 2000 and 2001.

- A. While the original construction contract on this project totaled \$310,000, the city incurred additional construction expenditures of approximately \$294,000 for change orders. Board minutes indicate \$223,000 of the change orders involved additional construction for water main improvements, including a hook-up to a new elementary school. While board approval for these changes was documented, it would appear the city should have solicited bids for the additional construction included in the change orders.

Change orders are normally used to make adjustments for minor problems that are unknown when construction projects are originally bid. They should not be used to make significant changes to existing contracts. The city should ensure that all aspects of the projects are adequately bid.

- B. The city did not adequately document the planned and actual sources and uses of funding for the Liberty Lane project. Boone County provided \$262,000 for the project, and city officials indicated the remaining funding came from various city funds, including capital improvement sales tax, water and sewer bond proceeds, and the city's Street and General Funds. The city did not document the proposed funding breakdown during the planning stage of this project. In addition, the city did not document that the actual expenditures from each fund represented appropriate uses of the restricted revenues of the applicable funds. For example, for \$126,671 paid from water and sewer bond proceeds, the city could not provide documentation to show that these payments represented water and sewer system improvements.

Proper planning for major capital improvements should include documentation of the funding sources of the project. In addition, to ensure restricted revenues are used properly, the city should maintain adequate documentation to support disbursements from restricted revenues.

WE RECOMMEND the Board of Aldermen:

- A. Ensure all aspects of construction projects are adequately bid.

- B. Ensure planned funding sources are documented for all major capital improvements and maintain adequate documentation to support disbursements from restricted revenues. The board should review all expenditures for the Liberty Lane project to ensure amounts were paid from the proper funds and make correcting entries to the applicable fund balances if necessary.

AUDITEE'S RESPONSE

The Board will take the recommendations under advisement. The city adopted formal procurement policies on April 9, 2002 to provide guidance for future projects. These policies are now part of the city's Code of Ordinances that will help present and future boards with their actions. The city has also hired new personnel that are more knowledgeable of accounting principles to maintain fund balances and project files that will help the board have accurate information for decisions.

2.

Land Purchase

In July 1998, the city purchased land for \$150,000 located near the current city hall; however, this land has not been used by the city and is currently vacant. City officials indicated the city intended to build a new city hall and city library on this land; however, no formal plans were prepared for such a project. The city did not obtain an appraisal prior to the purchase of the land. In addition, the city borrowed \$116,000 to help pay for the land and paid \$15,890 in loan interest from July 1998 to April 2002. The loan principal balance at April 30, 2002, was \$41,890.

The city should either develop formal plans for the use of this land or consider selling the land. Good business practices require that adequate planning be performed and public input be obtained prior to approving a significant capital expenditure such as this. In addition, appraisals should be obtained prior to the purchase of real property to ensure fair value is paid for the property.

WE RECOMMEND the Board of Aldermen establish a formal plan for the use of the land or consider selling the land. Future purchases of real property should be done only upon the preparation of formal documented plans for its use. In addition, independent appraisals should be obtained prior to all real property purchases.

AUDITEE'S RESPONSE

The Board will take the recommendation under advisement. The board will establish a formal plan for the use or disposal of the land and obtain independent appraisals on future land acquisitions.

3.**Taxable Compensation**

- A. The city makes payments to the City Administrator which appear to be taxable compensation but are not reported on his W-2 forms. Since July 2001, he has received a monthly vehicle allowance of \$400 but is not required to report any expenses incurred on behalf of the city. IRS regulations require travel and expense reimbursements be reported on the recipients' W-2 forms unless the recipients are required to report the related expenses to their employer.

In addition, the City Administrator's employment contract indicates the vehicle allowance shall cover local vehicle expenses but does not adequately define which expenses are covered in this allowance. City officials indicate the allowance is intended to cover trips from Ashland to Columbia and Jefferson City; however, the city has no documentation to show that this allowance amount is reasonable compared to actual expenses incurred by the City Administrator. Using the 2002 federal mileage reimbursement rate of \$.365 per mile, a \$400 monthly allowance represents approximately 1,100 miles per month. The board should require the City Administrator to document his mileage and vehicle expense while conducting city business to ensure the reasonableness of the monthly allowance.

- B. For 2001 and prior years, the city did not file Form 1099-MISC for payments of \$600 per year to applicable non-employees as required by the Internal Revenue Code. Apparently, applicable city personnel were not aware of the requirements to file Form 1099-MISC. The city has filed applicable forms for payments made during 2002. The city should review payments made during 2001 and prior years and contact the IRS to determine how any applicable payments should be reported.

WE RECOMMEND the Board of Aldermen:

- A. Review the reasonableness of the \$400 monthly vehicle allowance and amend the employment contract to clearly define what types of vehicle expenses are to be covered by the allowance. In addition, the city should report as taxable compensation on W-2 forms the monthly allowance paid, or require the City Administrator to report actual vehicle expenses incurred while conducting city business. Prior years' W-2 forms should be amended as applicable.
- B. File Form 1099-MISC for all payments as required by IRS regulations and contact the IRS to determine how to report applicable payments for 2001 and prior years.

AUDITEE'S RESPONSE

The Board will take the recommendations under advisement for consideration with the benefit package for the City Administrator during his next evaluation in July of this year. The board will direct staff to consult with our auditor to ensure this and other vehicle compensations are properly reported. Current city staff are knowledgeable of Form 1099 reporting requirements and will continue to file these as required.

4. Expenditures

A. Some city expenditures did not comply with certain provisions of the city's procurement policy or state law as follows:

1. The city has not periodically solicited proposals for engineering services. The city has used the same engineer since 1997. During the year ended April 30, 2002, the city spent \$18,744 for engineering services.

The city's policy and Sections 8.285 through 8.291, RSMo 2000, provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered. The firms should be evaluated based on specific criteria including experience and technical competence, capacity and capability of the firm to perform the work in question, past record of performance, and the firm's proximity to and familiarity with the area in which the project is located.

2. Written contracts were not retained or have not been updated for engineering and legal services. The contract with the engineer has not been updated since 1997 and the city did not prepare or retain any contracts for legal services. Section 432.070, RSMo 2000, requires contracts to be in writing.
3. The city purchased a lawn tractor for \$14,487 and obtained price quotes by phone and fax. City policy states that bids shall be solicited by newspaper publication for any purchase of personal property over \$3,000.
4. The city paid \$27,950 for water pump repairs and \$3,751 for light pole repairs without soliciting bids as required. City officials indicated these were considered emergency repairs so bids were not solicited. However, the city could not provide documentation or board approval for the emergency nature of these purchases.

Procurement policies are necessary to ensure the city receives fair value on significant purchases. In addition, competitive bidding and soliciting proposals help ensure all interested parties are given equal opportunity to participate in city business. The city should ensure compliance with its procurement policies.

- B. The city's procurement policy indicates competitive bids or proposals are not required for legal and accounting services. While the city did solicit proposals from CPA firms for its most recent financial statement audit, the city has not solicited proposals or retained documentation of proposals solicited for legal services. City officials indicated proposals were solicited for the services of the city attorney but could not locate the related documentation. During the year ended April 30, 2002, the city spent \$14,770 for city attorney services, \$6,934 for city prosecutor services, and \$6,962 for legal services related to a potential tax increment financing project. The city should consider amending its policy and require periodic solicitation of proposals for legal and accounting services.
- C. The city's current payroll procedures do not ensure that payroll expenses are allocated to the proper funds. Each employee's salary is paid from one fund regardless of how each employee's duties and functions overlap the various city services. For example, the City Administrator and the Maintenance Supervisor are paid from the Sewer Fund, the City Clerk, City Treasurer/Deputy City Clerk, Utility Clerk, and a maintenance employee are paid from the Water Fund, and two maintenance employees are paid from the Street Fund. The city could provide no documentation on how it was determined from which fund these individuals should be paid. In fact, the two maintenance employees identified only 67 of 1,038 hours on their September, October, and November 2002, timesheets related to street functions.

It is essential the city properly allocate employee salaries to the various funds. This information is needed for the city to properly establish uses charges for water and sewer services. Furthermore, the use of certain funds, such as the Street Fund, are limited by state law or city ordinance for specific purposes. Therefore, documentation of expense allocation is useful for both management and compliance purposes.

- D. Expenditure lists are prepared for board review and approval for regular meetings, which are held on the second and fourth Tuesdays of the month. Payroll disbursements and some disbursements made after the fourth Tuesday and before the beginning of the following month are not included on the expenditure lists but are included in reports that show budgeted and actual receipts and disbursements. The expenditure lists are not retained with the official meeting minutes and are not signed or initialed by the board to indicate approval.

To ensure board approval of all city expenditures, the expenditure lists should include all city disbursements, should be signed or initialed by the board, and be retained with the board minutes.

- E. During the year ended April 30, 2002, the city spent \$408 for flowers and balloons for officials and employees and \$1,092 for an annual Christmas banquet (including gift certificates) for employees, officials, and invited guests. The city's residents place a fiduciary trust in their public officials to expend public funds in a

necessary and prudent manner. The above expenses do not appear to represent a necessary and prudent use of public funds.

WE RECOMMEND the Board of Aldermen:

- A. Ensure the city procurement policies and state laws are followed by soliciting bids and proposals for all applicable purchases, retain documentation of all bids and proposals, and prepare adequate documentation, including reasons and board approval, for all emergency purchases. In addition, all contracts should be in writing.
- B. Consider amending the city's procurement policy and require periodic solicitation of proposals for legal and accounting services.
- C. Ensure all salary expenditures are properly allocated to the various funds and are supported by adequate documentation.
- D. Ensure all disbursements are included on the expenditure lists and document approval by signing or initialing the lists and maintaining the lists with the meeting minutes.
- E. Ensure all expenditures of city monies are a prudent use of public funds.

AUDITEE'S RESPONSE

- A.1.
& 2. *The board will take these recommendations under advisement. The city has prepared a list of 39 services that the city has contracts or agreements. These agreements range from utility franchise agreements to an agreement for solid waste service down to an agreement for monthly pest control services. This list includes current service provider and dates when the service needs to be advertised. We have prepared files for professional services that include requests for proposals, scope of services, advertisements, proposal evaluation forms, and contract documents. The city has recently advertised, evaluated proposals, and entered into new contracts for City Attorney, Prosecuting Attorney, and Auditor services. City Engineer proposals are currently being evaluated.*
- A.3. *The board has adopted new procurement policies as referenced above for the purchase of equipment and services.*
- A.4. *The city staff will take emergency repair issues to the board for formal approval as soon as practical based on the nature of the emergency.*
- B. *The board will take this recommendation under advisement. Proposals have been advertised, reviewed and new contracts approved by the board for legal and auditing services.*

- C. *The board will take this recommendation under advisement. A review of each employee's time spent on various tasks will need to be performed to make informed decisions on the distribution of personal service expenses to the various funds. The board will evaluate the distribution of each employee's time.*
- D. *The board will take this recommendation under advisement. Detailed expenditure reports are prepared for the board to approve at each of their meetings. After approval, the report is signed by the mayor and is filed with the meeting minutes.*
- E. *The board will take this recommendation under advisement. The city has established a Friends of Ashland not-for-profit entity that employees, elected officials, and others can contribute to. This fund will be used for the City's Annual Appreciation Dinner. In December 2002, the dinner was held with donated funds without use of public funds. The city has also set up a Compassion Fund that employees and elected officials can contribute to for flowers and cards for funerals or illnesses. Public funds are no longer used for these purposes.*

5. Budgets and Financial Reporting

- A. Our review of the city's budgets and related procedures noted the following concerns:
 - 1. The budget for the year ending April 30, 2003, and subsequent budget amendments were not passed by ordinance, signed by the board, or retained with the board meeting minutes. Budget documents initially provided by the city did not include some information required by state law. As a result, it is unclear what budget documents and other budget information were approved by the board of aldermen.
 - 2. The budget for the year ended April 30, 2002, included estimated transfers-in for the Sewer and Capital Improvements Funds. However, the budgets did not include any corresponding transfers-out from other funds. In addition, the purpose of these transfers was not documented. Without these budgeted transfers, it appears sufficient resources would not have been available to provide balanced budgets for these funds. Section 67.010.2, RSMo 2000, prohibits deficit budgeting; therefore, it is important that the source of these budgeted transfers be completely documented.
 - 3. For the year ended April 30, 2002, estimated revenues and expenditures for the Sewer and Capital Improvements Funds were significantly higher than the actual amounts as follows:

Fund	Budget	Actual
Sewer Revenues	366,690	228,749
Sewer Expenditures	507,443	199,162
Capital Improvements Revenues	318,200	132,162
Capital Improvements Expenditures	349,400	141,980

City officials indicated the budgeted amounts included some capital projects that were originally projected to be completed during the fiscal year, but for various reasons were not completed. The city did not prepare budget amendments to reflect the delays in completion of these projects. Budget amendments should be prepared when unplanned events cause the original budget estimates to be inaccurate.

4. Prior years' actual revenue totals are inaccurate because the totals include amounts called "Profit Handlers." These amounts are similar to annual profit or loss amounts and do not allow for proper comparisons between the current year's estimated amounts and prior years' historical amounts.

Section 67.010, RSMo 2000, requires each political subdivision of the state to prepare an annual budget with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area. The budgets should include appropriate and reasonable revenue and expenditure estimations, the purpose and source of all transfers, and accurate actual revenues and expenditures for the two preceding years.

Further, Sections 67.030 and 67.040, RSMo 2000, require budgets and budget amendments to be adopted by order, motion, resolution, or ordinance and reasons for amendments to be documented in a resolution. In addition, budgets and budget amendments should be signed by the mayor and/or board and retained with the official minutes to adequately document the board's approval.

- B. The city did not publish financial statements for the six month periods ended April 30, 2001 and 2000. In addition, the financial statements that were published included only beginning and ending balances and total receipts and expenditures for each fund, and did not include detailed sources or categories for receipts and expenditures.

Section 79.160, RSMo 2000, requires the Board of Aldermen to prepare and publish, semi-annually, a full and detailed account of city receipts and expenditures. Accurate and detailed financial statements are necessary to keep citizens informed of the financial activity and condition of the city. In addition, Section 79.165, RSMo 2000, states the city cannot legally disburse funds until the financial statements are published.

- C. The city had not submitted annual financial reports or audited financial statements to the State Auditor's Office, as required by state law, since the year ended April 30, 1999. Upon the start of our audit in November 2002, the city submitted its audited financial statements to the State Auditor's Office for the years ended April 30, 2000, 2001, and 2002.

Section 105.145, RSMo 2000, requires political subdivisions to file an annual report of the financial transactions of the political subdivision with the State Auditor's Office.

WE RECOMMEND the Board of Aldermen:

- A.1. Formally adopt the annual budgets and budget amendments and ensure the budgets include all information required by state law. In addition, the mayor and/or board should sign the budgets and budget amendments to indicate board approval and retain them with the official board minutes.
2. Ensure the source and purpose of all budgeted fund transfers is documented.
3. Prepare reasonable estimates of revenues and expenditures for each fund and prepare budget amendments when necessary.
4. Ensure actual prior years' revenues are accurately reported on the budgets.
- B. Publish detailed semiannual financial statements as required by state law.
- C. Submit annual financial reports to the State Auditor's Office as required by state law.

AUDITEE'S RESPONSE

- A.1. *The board will take this recommendation under advisement. The board will continue to formally adopt annual budgets and budget amendments. Recently the board adopted a revised budget for the 2002-03 fiscal year. A detailed report was prepared stating every account that had a change and the reason for the change. Copies of the revisions were signed by the mayor and kept on file with the minutes.*
- A.2. *The board will take this recommendation under advisement. The city has worked closely with their auditor and followed recommendations to rectify problems that led to problems with the budget process. The city has also taken action to keep personnel in the treasurer's position that are knowledgeable of general accounting procedures. Budget sheets will clearly show the fund transferred from and to and how they balance.*
- A.3. *The board will take this recommendation under advisement. The board will review the draft budget to insure annual revenues meet the annual fixed expenditures of the city. Revenues and expenditures for larger projects will be carefully reviewed before they are*

included in the budget. The board will carefully review the budget to ensure operating revenues are used to pay operating expenses and special projects are paid with the identified revenue sources.

Budgets will be reviewed and amended by the board on a more frequent basis. Amendments will be done by ordinance and signed by the mayor and retained with the meeting minutes. Details of the reason for the amendments and specific accounts amended will be kept with the approved and signed minutes.

- A.4. The board will take this recommendation under advisement. The board will direct staff to insure that the "Profit Handler" feature of the software does not distort revenues or expenses. The city is having a software upgrade installed on May 5 and 6, 2003, along with on-site training for all administrative personnel.*
- B. The board will take this recommendation under advisement. With the improvements that have been made in the city's accounting records in the past twelve months, we will be able to publish the required detailed financial statement in a timely manner.*
- C. The board will take this recommendation under advisement. The city has provided copies of all audit reports to date upon notice that this needed to be done. The city will submit future audits annually.*

6.

Meeting Minutes and Ordinances

- A. The board regularly conducts closed meetings but does not always prepare minutes of the meetings. Minutes of applicable open meetings did not always indicate the reasons and votes taken to go into closed session, the decisions made and votes taken in closed session, that the closed meeting ended and open meeting resumed, or the adjournment of the open meeting.

Section 610.021, RSMo 2000, allows the board to close meetings to the extent the meetings relate to certain specified subjects, including litigation, real estate transactions, and certain personnel issues, and requires the votes taken and final decisions to be made public. Section 610.022, RSMo 2000, requires the board to vote in open session to close a meeting and to announce publicly the reasons for going into closed session. This law also provides that public governmental bodies shall not discuss, record, or vote on any other business during the closed meeting that differs from the specific reasons used to justify such meeting. Minutes of closed meetings are necessary to ensure compliance with applicable laws.

- B. Board minutes are prepared by the city clerk; however, they are not signed. The board minutes should be signed when prepared by the city clerk. The minutes should also be signed by the mayor to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the board meetings.

- C. The city has not adopted ordinances to establish the compensation and duties of elected and appointed officials or employees. Section 79.270, RSMo 2000, requires the compensation of officials and employees to be set by ordinance, and the salary of an official shall not be changed during the term of election or appointment. Section 79.290, RSMo 2000, requires the duties of all officials be set by ordinance.

Compensation rates set by ordinance, in addition to meeting statutory requirements, document the approved amounts to be paid and eliminate potential misunderstandings on the amount each city official and employee is to receive, and is necessary to ensure the compensation of an official is not changed during the term of office. Ordinance hearings provide for public input and information concerning the compensation paid. In addition, documentation of duties and job descriptions would clarify the duties and responsibilities of each official and employee and prevent misunderstandings.

- D. Ordinances establishing the city treasurer's bond amount and the city clerk's term of office have not been adopted as required by Sections 79.300 and 79.320, RSMo 2000, respectively. In addition, the city does not bond any officials or employees with check signing authority or access to cash assets. This includes the mayor, mayor pro-tem, city treasurer, city clerk, and city administrator. Failure to properly bond all persons with access to assets exposes the city to risk of loss.

WE RECOMMEND the Board of Aldermen:

- A. Prepare minutes for all closed sessions, and ensure the applicable open meeting minutes include all information regarding the closed session as required by state law. This includes taking a vote and stating the reasons for going into closed session, and disclosing the votes taken and decisions made in closed session. In addition, the open meeting minutes should document the return from closed session and final adjournment.
- B. Require the board minutes be signed by the city clerk upon preparation and the mayor upon approval.
- C. Establish ordinances setting the compensation and duties for all elected and appointed officials and employees as required by state law.
- D. Establish ordinances for the city treasurer's bond amount and the city clerk's term of office, as required by state law. In addition, the board should consider obtaining bond coverage for all officials and employees with check signing authority and access to cash assets.

AUDITEE'S RESPONSE

- A. *The board will take this recommendation under advisement. The board will clearly note the purpose of the closed session in their motion and the clerk will include it in the minutes. Clear record of all votes taken throughout will be included in the minutes and reportable actions will be clearly stated when the open session resumes. Minutes of closed and open session will be prepared in a timely manner and will be made a part of the permanent city records.*
- B. *The city clerk and mayor will sign the approved minutes.*
- C. *The board will take this recommendation under advisement. The board will direct the city attorney to prepare the necessary ordinances to meet the requirement. The board will direct the city clerk to place a reminder on the calendar to annually have the board take this action.*
- D. *The board will take this recommendation under advisement. The city has recently obtained bond coverage for the city clerk, the treasurer/deputy city clerk, the mayor, mayor pro-tem, and city administrator.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

CITY OF ASHLAND, MISSOURI
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The city of Ashland is located in Boone County. The city was incorporated in 1877 and is a fourth-class city. The population of the city in 2000 was 1,869.

The city government consists of a mayor and six-member board of aldermen. The members are elected for two-year terms. The mayor is elected for a two-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other principal officials at April 30, 2002, were:

<u>Elected Officials</u>	<u>Term Expires</u>	<u>Compensation Paid for the Year Ended April 30, 2002</u>	<u>Amount of Bond</u>
Alan Bauer, Mayor (1)	April 2004	\$ -0-	\$ -0-
Mike Asmus, Alderman Ward 1 (2)	April 2004	-0-	-0-
Tony Russell, Alderman Ward 1 (3)	April 2003	-0-	-0-
Linda Miller, Alderwoman Ward 2	April 2003	-0-	-0-
Price Nichols, Alderman Ward 2	April 2004	-0-	-0-
Randy Eckley, Alderman Ward 3	April 2004	-0-	-0-
Fred Klippel, Alderman Ward 3 (4)	April 2003	-0-	-0-
<u>Other Principal Officials</u>			
Ken Eftink, City Administrator (5)		52,287	-0-
Darla Sapp, City Clerk		33,438	-0-
Barbara Henke-Christopher, City Treasurer/Deputy City Clerk (6)		2,288	-0-
Melvin Rupard, Chief of Police		39,242	-0-
Nathan Nicholas, City Attorney (7)		14,770	-0-
Mick Wilson, City Prosecutor (7)		6,934	-0-

- (1) Elected in April 2002 replacing Charles Campbell.
- (2) Elected in April 2002 replacing John Johnson.
- (3) John Johnson was elected in April 2003.
- (4) Appointed in April 2002 to replace Alan Bauer who was elected Mayor. Carl Long was elected in April 2003.
- (5) Compensation amount does not include vehicle allowance payments of \$4,800.
- (6) Replaced Dora Calvin in February 2002, who resigned and whose compensation for the year was \$19,589.
- (7) Compensation paid to the attorneys' law firms.

On April 30, 2002, the city employed 15 full-time and 1 part-time employees.

Assessed valuations and tax rates for calendar year 2002 were as follows:

ASSESSED VALUATION

Real estate	\$ 17,197,125
Personal property	<u>3,867,252</u>
Total	\$ <u>21,064,377</u>

TAX RATES PER \$100 ASSESSED VALUATION

	<u>Rate</u>
General	\$ 0.2906
Debt service	0.4400

The city has the following sales tax; the rate is per \$1 of retail sales:

	<u>Rate</u>
General	\$ 0.01
Capital improvement	0.005